GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1014
ANSWERED ON:23.11.2001
FINANCIAL PACKAGE OF NEWLY CREATED STATES
LAKSHMAN CHANDRA SETH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have given any financial package to Uttaranchal, Jharkhand and Chhattisgarh; and

(b) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Central Assistance is being extended to Uttaranchal, Jharkhand and Chhattisgarh for their Annual Plans 2001-02 after taking into account the resource availability of these States. Uttaranchal has been accorded the status of a Special CategoryState entitling the State to receive Central Assistance for StatePlan as 90% grant and only 10% loan. Their share in central taxesand grants-in-aid under the Eleventh Finance Commission award isalso being released in accordance with the respective States` Reorganisation Acts.

In addition, the Reserve Bank of India has allowed a 30% increasein the Normal W&M Advance limit and relaxation in 5 days limit on overdraft, upto 31st March,2002, as a Special dispensation to the newly created States.